

THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR  
ADMINISTRATION AND FINANCE  
STATE HOUSE • ROOM 373  
BOSTON, MA 02133

MITT ROMNEY  
GOVERNOR

KERRY HEALEY  
LIEUTENANT GOVERNOR

THOMAS H. TRIMARCO  
SECRETARY

TEL: (617) 727-2040  
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[www.mass.gov/eoaf](http://www.mass.gov/eoaf)

November 9, 2006

The Honorable Mitt Romney  
Executive Office  
State House, Room 360  
Boston, Massachusetts 02133

Dear Governor Romney:

Pursuant to the provisions of section 9C of Chapter 29 of the Massachusetts General Laws, I hereby notify you that available revenues for Fiscal Year 2007 are projected to be insufficient to meet authorized expenditures. The amount of this probable deficiency is estimated at approximately \$425 million. Although my office has recently revised the Fiscal Year 2007 tax estimate upward by \$202 million to \$19.132 billion, this amount is insufficient to support the unsustainable spending growth appropriated by the Legislature.

As you know, the Legislature recently proposed transferring \$450 million in Stabilization reserves to bridge the gap between available revenues and appropriated spending. You vetoed that measure as being an inappropriate use of "rainy day" funds during a time of economic expansion. Further, use of reserves to support unsustainable spending levels creates a structural deficit that will continue into Fiscal Year 2008. While we continue to project economic growth for the remainder of the year and next year, signs point to slightly lower growth rates than we have recently experienced. These forecasts warrant a cautious approach, and I therefore recommend a reduction in spending to preserve our rainy day funds for any eventual downturn in the economy. These reductions will also relieve spending pressure on the Fiscal Year 2008 budget, which is likely to see significant growth in non-discretionary spending.

Upon your direction, I will make reductions under section 9B of Chapter 29 to eliminate the entire \$425 million shortfall. This reduction amounts to approximately 1.7% of total budgeted spending. I've attached a list of recommended reductions.

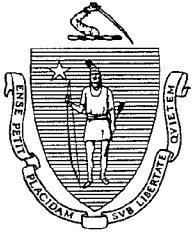
Sincerely,



Thomas H. Trimarco  
Secretary

cc: Robert E. Travaglini, President of the Senate  
Salvatore F. DiMasi, Speaker of the House  
Brian P. Lees, Senate Minority Leader  
Bradley H. Jones, Jr., House Minority Leader  
William F. Galvin, Secretary of the Commonwealth  
Robert A. DeLeo, House Committee on Ways and Means, Chair  
Therese Murray, Senate Committee on Ways and Means, Chair  
Martin J. Benison, Comptroller  
Deval Patrick, Governor-elect





# THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

(617) 725-4000

MITT ROMNEY  
GOVERNOR

KERRY HEALEY  
LIEUTENANT GOVERNOR

November 10, 2006

Thomas H. Trimarco  
Secretary of Administration and Finance  
State House, Room 373  
Boston, Massachusetts 02133

Dear Secretary Trimarco:

In response to your letter in which you project a remaining gap between anticipated revenues and authorized expenditures for Fiscal Year 2007, I hereby direct you, pursuant to Section 9C of Chapter 29 of the General Laws, to make reductions as necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitt Romney".

Mitt Romney  
Governor

cc: Robert E. Travaglini, President of the Senate  
Salvatore F. DiMasi, Speaker of the House  
Brian P. Lees, Senate Minority Leader  
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